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SUBJECT: A THREE-MONTH PERSPECTIVE ON SOUTHERN SUDAN

Classified By: P/E Chief Eric Whitaker, Reason: Section 1.4 (b) and (d)

¶1. (SBU) Summary: Nearly three months have passed since the arrival of the U.S. Consul General in Juba. This report provides an overview of the dynamic in the South during this period, prospects for successful reconstruction and state building, and the Government of southern Sudan (GoSS) performance in establishing government institutions, human capacity, and challenges ahead.

¶2. (SBU) Overall, progress is beginning to be made. A year ago, Juba and Southern Sudan essentially had no infrastructure. Now, banking, rule of law, education, trade, and basic services are taking root, although they are all in their infancy. Ministries are also starting to be professionalized, but this process has a long way to go and much help is needed. If the GoSS can stay united, ensure security, avoid corruption, and meet the needs of their people, a vote for unity is still possible in 2011. For this to occur, it will take significant development, and sustained donor interest over the next five years. End summary.

The View from the Ground

¶3. (SBU) Southern Sudan is starting from near zero across the board. Juba, the capital, suffered from two decades of malign neglect. Roads are ruined, buildings smashed, and schools and hospitals crowded and under equipped. An estimated 70 percent of the population has no access to the municipal water supply, and much of the city is permanently without electricity. Nearly 80 percent of the population has no access to basic sanitary facilities. An exotic array of diseases is rampant throughout the South: cholera, malaria, whooping cough, yellow fever, measles, bilharzias, river blindness, etc. HIV/AIDS has made inroads as displaced populations return from abroad. No effective DDR has occurred, and the security climate remains perilous. The business climate is weak at best.

¶4. (SBU) Other towns in the South are in much the same shape, and some worse. The presence of armed militias in Jonglei and Upper Nile States has sparked recent clashes; the LRA continues to operate in Equatoria, including just outside of Juba. International humanitarian outreach has mitigated the worst suffering of the population, but the early advent of the rainy season will complicate urgent humanitarian, developmental, and security initiatives. A recent UNMIS patrol scheduled to drive the 210 kilometer round trip to

Lafon as a confidence building measure devolved into a muddy farce 25 kilometers east of Juba when a storm transformed the road into a quagmire. Heavy equipment mired between Yei and Juba has closed the road to Uganda for the past two days.

¶ 5. (U) However, there is also a more positive side to the story. USAID was once nearly alone working on the development front; but UN agencies, contractors, and international NGOs have recently begun to contribute. The first multi-donor trust fund grants have gone out the door, and a construction boom has begun in Juba: compounds under renovation, new structures going up, and road repair at the starting point. The Kenyan Consul General has joined the U.S., Egyptian, and Ugandans in Juba; and by June the EU Joint Donor Mission and the Norwegian, South African, and Zimbabwean consulates are expected to open.

¶ 6. (U) A commercial bank has launched operations; the Kenya Commercial Bank is renovating its premises. Jetlink and Delta Connection offer daily service to Nairobi, and Ethiopian Airways is slated to begin four weekly flights to Juba by May 1. Investors have arrived on reconnaissance missions. Plans for three hotels, a river port, and smaller ventures are on the drawing board. Local markets have improved stocks of goods, prices have fallen, and the presence of the international community has stimulated local employment.

¶ 7. (U) Police training is underway, the UNMIS presence has been a stabilizing force, and relations between the SPLA and the SAF have, for the most part, remained correct. Mine removal proceeds, and Torit, Yei, Kapoeta, Lokichoggio, Yei, Yambio, Juba, and Maridi are once again connected overland, albeit by circuitous and sometimes impassable roads. Dredging has reportedly begun on the Nile, with renewed, reliable barge traffic between Kosti and Juba a real possibility. Displaced populations have begun returning to their places of origin, and rudimentary structures to welcome and reintegrate them are increasingly in place.

What Does All This Mean?

¶ 8. (SBU) There is palpable relief throughout the South that the peace is holding, and a belief that the South can make a go of it this time around. This optimism is offset by a crisis of expectations among the population, which anticipated an unrealistically rapid and generous peace dividend. There is gratitude to the international community, especially the U.S., for helping bring peace, but there is also a growing disaffection with both the GoSS and the internationals over the expanding fleets of white Landcruisers and tent camps by the Nile, in counterpoint to the perceived lack of action on pressing needs: schools, clean water, health, and improved security.

¶ 9. (SBU) The New Sudan remains the buzzword of choice. Its definition among the majority of southerners, including many in the political class, is separation from the North and independence within five years. This presupposes that the South will take full control of resources in its territory, including petroleum, and that the largesse of the international community will continue to flow. Only the staunchest supporters of the vision of the late John Garang speak with any conviction of the need for a single, transformed, federated Sudan. Most southerners see the end of the conflict as a divorce from the North and a refocus of economic and commercial ties toward sub-Saharan Africa.

Building a Government

¶ 10. (SBU) If the South is to go its own way, the GoSS must develop the institutions heretofore managed by the government in Khartoum and, in the case of territory controlled by the SPLA, international partners and NGOs. The formation of a functioning government has been a struggle. There was a lack

of infrastructure and resources at the outset, but even the major infusion of funds from petroleum revenues has not gotten the GoSS over the hump. Procurement has lagged: ministries still do not have reliable communication or infrastructure, and many senior officials still reside in tented camps along the Nile. There is a surfeit of ministerial travel, and in the absence of the boss, little gets done. Employees do not keep regular office hours, and most office managers are reluctant to set appointments or take even trivial decisions without prior approval from above. Scheduling is impromptu and ad hoc. Only a few ministries, such as Education, Health, and Gender and Social Welfare are professionally organized; others are moribund.

¶11. (SBU) There was some improvement in performance when under secretaries were named, and more business is now transacted at the ministries than at the terrace of the Equatoria Hotel, formerly a beehive of high-level activity. Generators have been installed in some ministries and photocopy machines are increasingly in evidence. Renovation of the decrepit government buildings proceeds apace, but this does not address the root of problem - limited human capacity. South Sudanese born just before or during the two decades of the last war are effectively a lost generation in terms of formal education. Juba suffers from a dearth of educated professionals to run government, and the situation is reportedly worse in outlying areas. Remedial study and the return of IDPs educated in the North and the diaspora educated abroad will help, but the creation of effective government and institutions will be an uphill struggle for the foreseeable future. A concerted focus on capacity building across the board must be a top priority for the international community.

Challenges Ahead

¶12. (C) If there is significant development in the Southern Sudan over the next five years, it is still possible for the southerners to choose unity over separation. With significant and palpable gains, southerners may not want to take the risk that separation signifies. For this to happen, however, the following challenges must be overcome.

-- The bubble effect: Rumbek blossomed last year, and Juba looks set to follow. This will not be enough. Development must trickle down throughout the South to ensure broad-based stability. As Pagan Amum aptly phrased it, "We must take the towns to the villages."

-- Factionalism: The three main factions within the SPLM (Kiir, Garang, Machar) have split and reunited in various configurations over the years, with disastrous consequences for the South. For the moment, the core (Garang) SPLM and various returnees seem intent on putting government ahead of politics and circling the wagons against the North. Should this entente fail, effective governance would be at risk.

-- Security Forces: Failure to pay the SPLA promptly caused indiscipline in the ranks, with reports of confrontations between officers and the ranks in Yei and Torit. Five of six senior SPLA commanders are opposed to Salva Kiir, although junior officers and the rank and file reportedly support Kiir. Until the SPLA has downsized and professionalized, and an effective DDR program is underway, the army remains the wild card.

-- Corruption: Corruption is hard to prove and easy to deny, but there is ample anecdotal evidence that it is spreading within the GoSS. The opening of the Southern Legislative Assembly scheduled for March 22 was indefinitely postponed after a number of MPs demanded public inquiries into reports of financial impropriety, including by the Assembly Speaker.

-- Political Alienation: If the GoSS and SPLM, which are often indivisible, do not deliver basic services to the

population, the wave of optimism that has swept the South is certain to abate, and apathy set in.

-- Donor fatigue: There is a broad and protracted role for the international community if the South is to succeed. Failure to deliver assistance pledged or commit to the long term would spell trouble. There is a long road ahead.
STEINFELD